

■ THE ROLE OF INFORMATION TECHNOLOGIES IN THE NEW ECONOMY

by the Information Technologies Industries Group

Trade Development

Information technologies and the Internet are rapidly changing the way we work, communicate, and view the world. In fact, few technologies have reached mass acceptance as quickly as computers and the Internet. It took 74 years for the telephone to reach 50 million users. The personal computer hit that number in 16 years and the Internet's World Wide Web did it in only four years. There are now more than 300 million users online worldwide.

All organizations can benefit from information technologies (IT).

Businesses, governments, and non-profit organizations can all use IT to become more efficient, explore new markets, improve service delivery, and better manage resources. Through technologies like videoconferencing and e-mail, businesses and governments can communicate with their partners and colleagues without having to travel, saving both time and costs.

According to a survey conducted by the National Federation of Independent Business, 58 percent of small business owners found that their websites boosted their sales. In the United States, new technologies have boosted

productivity, created jobs, and spurred economic growth. With the most wired population in the world, the United States ranks first in e-commerce potential based on the Meta Group's 2001 World E-Commerce and Internet Market Report.

The offices of Trade Development have followed these trends in technology and developed an expertise that is readily available to U.S. exporters. "In light of the recent economic disruptions that resulted from the terrorist attack, ensuring that U.S. industry has the information technology tools it needs to compete in the global economy is even more critical," according to Michelle O'Neill, Trade Development's Deputy Assistant Secretary for Information Technologies Industries.

Trade Development also works to foster the right policy environment for e-commerce to flourish and not be hindered by regulations. Electronic commerce impacts all industry sectors and all business, large and small, and is viewed as a revolutionary enabling medium that creates economic activity and provides social benefits within and across borders. In support of U.S. industry, for example, Trade Development analysts participate in international and private-sector fora to push forward priority issues affecting e-commerce, including data privacy and consumer protection.



ELECTRONIC PRIVACY

In the United States, the importance of protecting the privacy of individuals' personal information is a priority for the federal government and consumers. The Internet and the growth of information technologies have enabled the transmission, processing, and storage of vast amounts of information about individuals. These developments have led to increasing concerns about online privacy and consumer protection, as well as continually growing debate and legislation regarding the best means for protecting consumers and providing recourse. Consumers repeatedly cite fears that their personal information will be misused as a reason for not doing business online. In this way, moves to bolster online privacy and protect consumer interests will fuel the broader growth of online communications, innovation, and business. Self-regulatory initiatives are an effective approach to putting meaningful privacy protections in place.

The Department of Commerce has worked closely with industry to promote self-regulation. In general, self-regulation allows firms to respond quickly to technological changes and employ new technologies to protect consumer privacy. The department has worked with industry to promote the use of privacy policies, the development of self-regulatory principles, and the development of privacy-enhancing technologies.

For example, of the department strongly encouraged the private sector to post privacy policies that adhere to fair information practices by providing consumers with notice, choice, access, and security. The department also worked closely with industry in the area of "online profiling," the practice of aggregating information about consumers' preferences and interests, gathered primarily by tracking their movements online and using the resulting consumer profiles to create targeted advertising on websites. On

the other hand, in certain highly sensitive areas, legislative solutions are appropriate. Congress has adopted legislation to protect certain highly sensitive personal information, including children's information, medical records, financial records, social security numbers, and genetic information. Finally, the department has also highlighted the role of technological tools and developments to enhance consumer privacy online.

CONSUMER PROTECTION IN E-COMMERCE

The growth of electronic commerce depends in large part on a high level of consumer confidence in doing business on the Internet. Building this confidence requires that consumers experience a comparable level of protection online to that which they enjoy in the offline world. Not only should consumers know that the goods and services offered online are fairly represented, but they also need to know that meaningful redress is available if they are not satisfied with some aspect of a transaction. The global nature of e-commerce, however, complicates the issue because choice of law, jurisdiction, and liability rules vary significantly among countries and causes uncertainty about consumer rights and business obligations in cross-border transactions.

The Department of Commerce works together with other U.S. government agencies, including the Federal Trade Commission, in various international and regional fora that are active in consumer protection. Along with the Federal Trade Commission, the department will continue to work with the private sector and consumer groups to ensure that their initiatives are as successful as possible in promoting consumer confidence and the growth of electronic consumer transactions. ■

HOW ARE YOU USING INFORMATION TECHNOLOGY?

The Information Technology Management Planning Tool was developed by Trade Development to help organizations examine how they are currently using IT and plan for additional IT investment to improve their operations. The Tool is contained, with additional explanatory materials, on a CD-ROM. The Tool itself has four phases that systematically guide managers interactively through an evaluation process:

- **Phase One** links an organization's mission, goals, and core functions in a priority ranking;
- **Phase Two** creates an inventory of existing IT systems and links them to the organization's core functions;
- **Phase Three** assesses an organization's readiness for use of the Internet and electronic commerce applications and provides e-business and e-commerce options;
- **Phase Four** offers a cost/benefit analysis framework for managers to estimate the resources required to implement new IT and e-business projects.

Additional explanatory materials on the CD-ROM include videos on the benefits of IT and the importance of protecting an organization's critical infrastructure, a voice-over guide to each element of the Tool, a users manual, and Internet links to appropriate informational sites. For additional information, send an email to exportit@ita.doc.gov, or visit <http://exportit.ita.doc.gov>